

Sent to Governor
(February 28, 1991)

S.B. 103
S.B. 104
S.B. 165
S.B. 188

TWENTY-FOURTH DAY
(Monday, March 4, 1991)

The Senate met at 11:00 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brooks, Brown, Carriker, Dickson, Ellis, Glasgow, Green, Haley, Harris of Tarrant, Harris of Dallas, Henderson, Johnson, Krier, Leedom, Lucio, Lyon, Moncrief, Montford, Parker, Ratliff, Rosson, Sims, Tejeda, Truan, Turner, Whitmire, Zaffirini.

A quorum was announced present.

Dr. Bob Holloway, Acton United Methodist Church, Acton, offered the invocation as follows:

Eternal and loving God, as citizens of our State and servants in Your kingdom, we pause to remember that we are surrounded by Your gracious presence. We begin this session giving You thanks for the wisdom of Your created order, that within Your world You have provided resources for nurturing our spiritual and physical needs. We thank You for the blessings of freedom, the responsibility for choice, and the joy of service. We especially thank You for these persons who are gathered here out of their interest in and devotion to the well-being of the people of Texas. In their deliberations and decisions give them Your gift of wisdom that will enable them to recognize and fulfill Your just and compassionate will for Your children. Give them the peace of knowing as they struggle with difficult choices and heavy responsibilities that they are co-workers with You in Your continuing work of creation. For these leaders and for those of us who follow their leadership, bless us with Your transforming power that leads us to grow beyond self-interest to new understanding, that changes us from being seekers of convenience to being persons of compassion, and deliver us from a preoccupation with self-indulgence to a commitment to justice and mercy. Amen.

On motion of Senator Brooks and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 28, 1991, was dispensed with and the Journal was approved.

CO-AUTHOR OF SENATE BILL 16

On motion of Senator Bivins and by unanimous consent, Senator Lucio will be shown as Co-author of S.B. 16.

CO-AUTHOR OF SENATE BILL 268

On motion of Senator Green and by unanimous consent, Senator Tejeda will be shown as Co-author of S.B. 268.

MESSAGE FROM THE HOUSE

House Chamber
March 4, 1991

HONORABLE BOB BULLOCK
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

S.B. 351, Relating to public school finance. (As substituted and amended)

H.B. 435, Relating to donations of public or private funds or other property or services to the adjutant general's department and the state military forces.

S.C.R. 51, Declaring Texas Highways the official host of the Toast to Texas for the State of Texas on Texas Independence Day, March 2nd.

Respectfully submitted,
BETTY MURRAY, Chief Clerk
House of Representatives

REPORT OF STANDING COMMITTEE

Senator Glasgow submitted the following report for the Committee on State Affairs:

S.B. 123
S.B. 161
S.B. 300
S.B. 83
C.S.S.B. 97
C.S.S.B. 180

RESOLUTIONS SIGNED

The President announced the signing in the presence of the Senate the following enrolled resolutions:

S.C.R. 27
S.C.R. 49

SENATE BILLS AND RESOLUTIONS ON FIRST READING

The following bills and resolutions were introduced, read first time and referred to the Committee indicated:

S.R. 198 by Parker Economic Development
Directing the Subcommittee on Insurance to conduct an interim study on the availability of insurance coverage in the State of Texas.

S.J.R. 26 by Tejeda Finance
Proposing a constitutional amendment relating to investments made by the Veterans' Land Board of funds in the Veterans' Land Fund or the Veterans' Housing Assistance Fund.

S.C.R. 55 by Henderson Administration
Granting John R. Phenix & Associates, Inc., permission to sue the State of Texas and the University of Houston System.

- S.B. 39** by Barrientos Education
Relating to the creation of the higher education grievance panel and to grievance procedures for employees of public institutions of higher education.
- S.B. 40** by Barrientos Education
Relating to the establishment of the teacher training for paraprofessionals program.
- S.B. 41** by Barrientos State Affairs
Relating to grievance and complaint resolution procedures for certain state employees.
- S.B. 42** by Barrientos Education
Relating to the peer assistance and leadership system.
- S.B. 43** by Barrientos State Affairs
Relating to the conveyance of certain state-owned real property in Travis County by the State Purchasing and General Services Commission.
- S.B. 44** by Barrientos Intergovernmental Relations
Relating to the removal of certain territory from an emergency services district by the governing body of a municipality.
- S.B. 45** by Dickson State Affairs
Relating to education courses for certain persons convicted of driving while intoxicated or involuntary manslaughter involving the use of a motor vehicle.
- S.B. 46** by Dickson, Zaffirini State Affairs
Relating to the authority of a law enforcement agency to establish a checkpoint on a public highway to determine whether persons are driving while intoxicated.
- S.B. 47** by Dickson State Affairs
Relating to the term intoxicated as used in defining the offense of driving while intoxicated.
- S.B. 637** by Harris of Tarrant Economic Development
Relating to foreign trade zones established by joint airport boards.
- S.B. 638** by Henderson Natural Resources
Relating to restrictions on the issuance of a permit for a salt dome hazardous waste storage, processing, or disposal facility.
- S.B. 639** by Brown Criminal Justice
Relating to the penalty for odometer resetting.
- S.B. 640** by Carriker Economic Development
Relating to security interests in certain collateral by secured creditors.
- S.B. 641** by Carriker Economic Development
Relating to the regulation of certain persons in the business of cashing checks; providing penalties.
- S.B. 642** by Moncrief Health and Human Services
Relating to indexing of birth and death records maintained by the Texas Department of Health and to the provision of death information to county clerks and the Texas Veterans Commission.
- S.B. 643** by Moncrief State Affairs
Subcommittee on Elections and Ethics
Relating to processing irregularly marked ballots in a voting system without centralized counting.

- S.B. 644** by Moncrief, Brooks Economic Development
Subcommittee on Insurance
Relating to coverage of biologically based mental illnesses under certain group health insurance programs.
- S.B. 645** by Moncrief State Affairs
Relating to the disposition of certain unclaimed property.
- S.B. 646** by Leedom State Affairs
Relating to requiring one public member of certain state boards, commissions, and other agencies to be at least 55 years of age.
- S.B. 647** by Tejeda Finance
Relating to the investment authority of the Veterans' Land Board.
- S.B. 648** by Tejeda, Lucio State Affairs
Relating to purchase prices and loan amounts on real property purchased under the Veterans Land Program or the Veterans Housing Assistance Program.
- S.B. 649** by Harris of Tarrant Jurisprudence
Relating to the establishment, enforcement, and collection of child support and to the administration of a statewide plan for the establishment, enforcement, and collection of child support by the Office of Court Administration of the Texas Judicial System.
- S.B. 650** by Ratliff Finance
Relating to a sales and use tax imposed for an industrial development corporation.
- S.B. 651** by Glasgow State Affairs
Relating to the operation of an electric cooperative.
- S.B. 652** by Glasgow State Affairs
Relating to certain changes in the services and rates of certain local exchange telephone companies.
- S.B. 653** by Montford Finance
Relating to the continuation of Article III, Section 49-d-4, of the Texas Constitution and the water bond insurance program authorized by that section.
- S.B. 654** by Parker Jurisprudence
Relating to personal property exempt from seizure.

SENATE RULE 7.23(b) SUSPENDED

On motion of Senator Parker and by unanimous consent, Senate Rule 7.23(b) was suspended as it relates to House amendments to **S.B. 351**.

SENATE BILL 351 WITH HOUSE AMENDMENTS

Senator Parker called **S.B. 351** from the President's table for consideration of the House amendments to the bill.

The President laid the text of **S.B. 351**, with amendments incorporated, as passed by the House before the Senate:

A BILL TO BE ENTITLED AN ACT

relating to public school finance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS

SECTION 1. Chapter 16, Education Code, is amended to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 16.001. STATE POLICY. (a) It is the policy of the State of Texas that the provision of public education is a state responsibility and that a thorough and

efficient system be provided and substantially financed through state revenue sources so that each student enrolled in the public school system shall have access to programs and services that are appropriate to his or her educational needs and that are substantially equal to those available to any similar student, notwithstanding varying local economic factors.

(b) The public school finance system of the State of Texas shall adhere to a standard of fiscal neutrality which provides for substantially equal access to similar revenue per student at similar tax effort.

~~[(c) The program of state financial support designed and implemented to achieve these policies shall include adherence to the following principles:~~

~~[(1) the yield of state and local educational program revenue per pupil per cent of effective tax effort shall not be statistically significantly related to local taxable wealth per student for at least those districts in which 95 percent of students attend school; and~~

~~[(2) the level of state and local revenues for which equalization is established shall include funds necessary for the efficient operation and administration of appropriate educational programs and the provision of financing for adequate facilities and equipment;~~

~~[(d) Future legislatures are free to use other methods to achieve substantially equal access to similar revenues per student at similar tax effort. These methods may involve minimum tax efforts, redefining the tax base, and other ways to equalize. However, adherence to the state policy described in this section shall be maintained;]~~

Sec. 16.002. PURPOSE OF FOUNDATION SCHOOL PROGRAM. (a) The purposes of the Foundation School Program set forth in this chapter are to guarantee that each school district in the state has:

- (1) adequate resources to provide each eligible student a basic instructional program and facilities suitable to the student's educational needs; and
- (2) access to a substantially equalized program of financing in excess of basic costs for certain services, as provided by this chapter.

(b) The Foundation School Program consists of ~~three~~ two tiers and a facilities component to provide for the purposes specified by Subsection (a) of this section. The first tier guarantees sufficient financing for all school districts to provide a basic program of education that meets accreditation and other legal standards. The facilities component ~~[second-tier]~~ provides a guaranteed yield system of financing to provide all school districts with ~~[substantially]~~ equal access to funds necessary to provide facilities that meet the standards developed under Subchapter I of this chapter ~~[an enriched program]~~. The second tier provides a guaranteed yield system of financing to provide all school districts with equal access to funds to provide an enriched program and additional funds for qualified facilities if necessary. The third tier provides a pooled enrichment fund in each county education district, operating solely on revenues generated within the county education district, to allow substantially equal access to additional revenues above the level guaranteed by the first and second tiers and the facilities component.

~~(c) The Foundation School Program operates on the concept of recapture solely within the boundaries of the county education districts.~~

Sec. 16.003. STUDENT ELIGIBILITY. (a) A student is entitled to the benefits of the Foundation School Program if he is 5 years of age or older and under 21 years of age at the beginning of the scholastic year and has not graduated from high school.

(b) A student to whom Subsection (a) of this section does not apply is entitled to the benefits of the Foundation School Program if the student is enrolled in a prekindergarten class under Section 21.136 of this code.

(c) The commissioner of education, in consultation with the Commissioner of Human Services, shall monitor and evaluate prekindergarten programs in the State of Texas as to their developmental appropriateness. Furthermore, the commissioner of education, in consultation with the Commissioner of Human Services, shall evaluate the potential for coordination on a statewide basis of prekindergarten programs with government-funded early childhood care and education programs such as child care administered under Chapter 44 of the Human Resources Code and federal Head Start programs. This evaluation shall utilize recommendations contained in the report to the 71st Legislature required by Chapter 717, Acts of the 70th Legislature, Regular Session, 1987. For the purpose of providing cost-effective care for children during the full work day with developmentally appropriate curriculum, the commissioners shall investigate the use of existing child care program sites as prekindergarten sites.

(d) A child may be enrolled in the first grade if he is at least six years of age at the beginning of the scholastic year or has been enrolled in the first grade or has completed kindergarten in the public schools in another state prior to transferring to a Texas public school.

~~[Sec. 16.004. SCOPE OF PROGRAM. Under the Foundation School Program, a school district may receive state financial aid for programs, services, facilities, and equipment, including personnel salaries, current operating expenses, categorical programs, and transportation services. The amount of state aid to each school district shall be based on the district's ability to support its public schools.]~~

Sec. 16.005. ADMINISTRATION OF THE PROGRAM. The commissioner of education, in accordance with the rules of the State Board of Education, shall take such action and require such reports consistent with the terms of this chapter as may be necessary to implement and administer the Foundation School Program.

Sec. 16.006. AVERAGE DAILY ATTENDANCE. (a) In this chapter, average daily attendance is determined by the daily attendance as averaged each month of the minimum school year as described under Section 16.052(a) of this code.

(b) ~~[For the school year 1990-1991 only, the number of students in average daily attendance under the definition described in Subsection (a) of this section shall not be less than 98 percent of the number of students that would be obtained under the definition used for the 1989-1990 school year.]~~

~~[(c)]~~ A school district that experiences a decline of two percent or more in average daily attendance as a result of the closing or reduction in personnel of a military base shall be funded on the basis of the actual average daily attendance of the immediately preceding school year.

Sec. 16.007. PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM (PEIMS). (a) Each school district and each county education district shall participate in the Public Education Information Management System (PEIMS) and shall provide through that system information required for the administration of this chapter and of other appropriate provisions of this code.

(b) Each school district shall use a uniform accounting system adopted by the commissioner of education for the data required to be reported for the Public Education Information Management System.

(c) The Central Education Agency shall report annually to the Legislative Education Board the financial status of each county education district. The report shall include the total state and local education revenues for each tier of the Foundation School Program.

Sec. 16.008. EQUALIZED FUNDING ELEMENTS. (a) The Legislative Education Board shall adopt rules, subject to appropriate notice and opportunity for public comment, for the calculation for each year of a biennium of the qualified

funding elements under Section 16.256(e) of this code necessary to achieve the state [funding] policy under Section 16.001 of this code not later than the 1994-1995 school year and for each school year thereafter.

(b) [The funding elements shall include:

[(1) a basic allotment for the purposes of Section 16.101 of this code that represents the cost per student of a regular education program that meets the basic criteria for an accredited program including all mandates of law and regulation;

[(2) the formula or other provision for the cost of education index designed to reflect the geographic variation in known resource costs and costs of education beyond the control of school districts for the purposes of Sections 16.102 and 16.103 of this code;

[(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter D of this chapter, with the program funding level expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;

[(4) the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter H of this chapter that represents the costs as determined and limited under Subchapter F of this chapter for exemplary programs including the cost of facilities and equipment until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter;

[(5) the total tax rates for the local funding requirements of Section 16.252 of this code and Subchapter H of this chapter, including tax rates for capital outlay and debt service until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter; and

[(6) the formula elements for the funding formulas for capital outlay and debt service under the provisions of Subchapter I of this chapter.

[(c)] Beginning in 1992, not later than October 1 preceding each regular session of the legislature, the board [by rule] shall report the equalized funding elements [calculated under Subsection (b) of this section] to the foundation school fund budget committee, the commissioner of education, and the legislature.

[(d) Notwithstanding other provisions of this section, the report and recommendations of the Legislative Education Board for the 1993-1994 school year and the 1994-1995 school year shall provide for appropriate transition from the program in effect for the 1992-1993 school year.]

SUBCHAPTER B. REQUIREMENTS FOR DISTRICT PARTICIPATION IN THE

FOUNDATION SCHOOL PROGRAM FUND

Sec. 16.051. REQUIRED COMPLIANCE. In order to receive financial support from the Foundation School Fund, a school district must comply with the standards set forth in this subchapter.

Sec. 16.052. OPERATION OF SCHOOLS; INSERVICE AND PREPARATION. (a) Each school district must provide for not less than 175 days of instruction for students and not less than eight days of inservice training and preparation for teachers for each school year, except as provided in Subsection (b) [(c)] of this section.

(b) [(c)] The commissioner of education may approve the operation of schools for less than the number of days of instruction and inservice training and preparation otherwise required when disasters, floods, extreme weather conditions, fuel curtailments, or other calamities have caused the closing of the school.

Sec. 16.053. ACCREDITATION. Each school district must be accredited by the Central Education Agency.

Sec. 16.054. STUDENT/TEACHER RATIOS; CLASS SIZE. (a) Except as provided by Subsection (b) of this section, each school district must employ a sufficient number of certified teachers to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance.

(b) A ~~[Beginning with the 1985-1986 school year, a]~~ school district may not enroll more than 22 students in a kindergarten, first, ~~[or] second, third, or fourth~~ grade class. ~~[Beginning with the 1988-1989 school year, a school district may not enroll more than 22 students in a third or fourth grade class.]~~ This requirement shall not apply during the last 12 weeks of any school year.

(c) In determining the number of students to enroll in any class, a district shall consider the subject to be taught, the teaching methodology to be used, and any need for individual instruction.

(d) On application of a school district, the commissioner may except the district from the limits in Subsection (b) of this section if the commissioner finds the limits work an undue hardship on the district. An exception expires at the end of the semester for which it is granted, and the commissioner may not grant an exception for more than one semester at a time.

(e) The commissioner shall report to the legislature each biennium regarding compliance with this section. The report must include:

(1) a statement of the number of school districts granted an exception under Subsection (d) of this section; and

(2) an estimate of the total cost incurred by school districts in that biennium in complying with this section.

Sec. 16.055. COMPENSATION OF PROFESSIONAL AND PARAPROFESSIONAL PERSONNEL. (a) A school district must pay each employee who is qualified for and employed in a position classified under the Texas Public Education Compensation Plan set forth in Section 16.056 of this chapter not less than the minimum monthly base salary, plus increments for teaching experience, specified for the position.

(b) Contracts for personnel shall be made on the basis of a minimum of 10 months' service, which must include the number of days of instruction for students and days of inservice training and preparation for personnel required by Section 16.052 of this code. The days of inservice training and preparation required herein shall be conducted by local boards of education under rules and regulations established by the State Board of Education that are consistent with the state accreditation standards for program planning, preparation, and improvement. Personnel employed for more than 10 months shall be paid not less than the minimum monthly base pay plus increments for experience for each month of actual employment. Personnel employed for 11 months at pay grades 1-11 must render 202 days of service, and personnel employed for 12 months at pay grades 1-11 must render 220 days of service. Personnel employed for 11 months at pay grades 12-18 must render 207 days of service, and personnel employed for 12 months at pay grades 12-18 must render 226 days of service. However, the number of days of service required by this subsection may be reduced by the commissioner under Section 16.052(b) of this code, and the reduction shall not reduce the total salaries of personnel.

(c) Notwithstanding Subsection (b) of this section, a vocational agriculture teacher employed for 12 months shall render 226 days of service regardless of pay grade.

Sec. 16.056. TEXAS PUBLIC EDUCATION COMPENSATION PLAN. (a) School district personnel who are qualified for and employed in positions described in Subsection (d) of this section shall be paid not less than the monthly base salary, plus increments for teaching experience, set forth in Subsection (c) of this section, or greater amounts provided by appropriation.

(b) ~~Each~~ [For the 1989-1990 school year each individual shall be paid at a step set forth in Subsection (c) in an amount that provides \$180 per month increase in salary over that individual's 1988-1989 minimum monthly salary. For the 1990-1991 school year and thereafter each] individual shall advance one step per each year of experience until step 10 is reached. For each year, up to a maximum of two years, of work experience required for certification in a vocational field, a vocational teacher who is certified in that field is entitled to salary step credit as if the work experience were teaching experience.

(c) SALARY SCHEDULE BY STEPS

0	1	2	3	4	5	6	7	8	9	10
1700	1814	1928	2042	2156	2270	2384	2498	2612	2726	2840

(d) The following positions are entitled to the minimum monthly salary set by Subsection (c) of this section for the number of annual contract months specified:

No. Months Paid	Class Title
10	Nurse, R.N. and/or Bachelor's Degree
10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Bachelor's Degree
10	Teacher, Bachelor's Degree
10	Vocational Teacher,
11	Bachelor's Degree and/or
12	Certified in Field
10	Librarian I, Bachelor's Degree
10	Visiting Teacher I, Psychological Associate, Bachelor's Degree
10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Master's Degree
10	Teacher, Master's Degree
10	Vocational Teacher,
11	Master's Degree
12	
10	Librarian II, Master's Degree
10	Physician, M.D.
10	Teacher, Bachelor of Laws or Doctor of Jurispru- dence Degree
10	Teacher, Doctor's Degree
10	Special Duty Teacher, Master's Degree
10	Occupational Therapist
10	Physical Therapist
10	Educational Diagnostician

10	Visiting Teacher II, Master's Degree
10	Counselor I, Psychologist
10	School Social Worker
10	Supervisor I
10	Part-time Principal—11 or fewer teachers on campus
10	Instructional/Administra- tive Officer I
10	Assistant Principal—20 or more teachers on campus
10	Instructional/Administra- tive Officer II
11	Principal—19 or fewer teachers on campus
10	Instructional/Administra- tive Officer III
11	Principal—20-49 teachers on campus
11	Instructional/Administra- tive Officer IV
11	Principal—50-99 teachers on campus
12	Principal—100 or more teachers on campus
12	Instructional/Administra- tive Officer V
12	Instructional/Administra- tive Officer VI
12	Superintendent—District with 3,000 or less ADA
12	Instructional/Administra- tive Officer VII
12	Superintendent—District with 3,001-12,500 ADA
12	Instructional/Administra- tive Officer VIII
12	Superintendent—District with 12,501-50,000 ADA
12	Superintendent—District with 50,000 or more ADA

(e) With the approval of the State Board of Education, the commissioner of education may add additional positions and months of service to the Texas Public Education Compensation Plan to reflect curriculum and program changes authorized by law. With the approval of the board, the commissioner shall also develop policies for the implementation and administration of the compensation plan.

(f) Each person employed in the public schools of this state who is an educational aide, teacher trainee, or nondegree teacher or who is assigned to a position classified under the Texas Public Education Compensation Plan must be certified according to the certification requirements or standards for each position as established by rule adopted by the State Board of Education. However, additional certification may not be required of a person holding a valid state license as a speech

language pathologist or audiologist. Persons other than those holding such a license may only be employed to render such services if an acceptable licensed applicant is not available.

(g) The State Board of Education shall prescribe the general duties and required preparation and education for educational aides, teacher trainees, and nondegree teachers and for the positions listed in Subsection (d) of this section under the circumstances described therein.

(h) In determining the placement of a teacher on the salary schedule under Subsection (c) of this section, a district shall credit the teacher for each year of experience, whether or not the years are consecutive. Notwithstanding the provision of this subsection, no teacher shall be placed on the salary schedule at a step above the step where the teacher would have been placed had that teacher remained in continuous service.

Sec. 16.057. CAREER LADDER SALARY SUPPLEMENT. (a) Except as provided by Subsection (c) of this section, each teacher on level two, three, or four of a career ladder is entitled to the following annual supplement in addition to the minimum salary set by this subchapter:

Level 2	\$2,000
Level 3	\$4,000
Level 4	\$6,000

(b) If the district pays more than the state minimum salary prescribed by this subchapter, the teacher is entitled to the career ladder supplement in addition to the amount otherwise paid by the district for the teacher's step.

(c) If the allotment under Section 16.158 of this code that is designated for support of the career ladder will not fully fund the supplements under this section:

(1) the district may reduce the supplements to not less than the following:

Level 2	\$1,500
Level 3	\$3,000
Level 4	\$4,500

or;

(2) provide for stricter performance criteria than that provided under Section 13.302 of this code, subject to the approval of the State Board of Education; or

(3) take action under both Subdivisions (1) and (2) of this subsection.

SUBCHAPTER C. BASIC ENTITLEMENT

Sec. 16.101. BASIC ALLOTMENT. For each student in average daily attendance, not including the time students spend each day in special education or vocational education programs for which an additional allotment is made under Subchapter D of this chapter, a district is entitled to an allotment of \$2,400 [~~\$1,910 for the 1990-1991 school year, \$2,128 for the 1991-1992 and 1992-1993 school years, and \$2,128~~] or a greater [an] amount adopted by the foundation school fund budget committee under Section 16.256 of this code for the 1993-1994 school year and each school year thereafter. A greater amount for any school year may be provided by appropriation.

Sec. 16.102. COST OF EDUCATION ADJUSTMENT. (a) The basic allotment for each district is adjusted by multiplying the amount of the basic allotment by an index factor that reflects the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district.

(b) The cost of education index and formula are the index and formula adopted by the foundation school fund budget committee, except as modified by the application of Section 16.103 of this code. [~~For the 1989-1990 and the 1990-1991 school years, the commissioner of education shall adjust each district's basic allotment by applying the following formula:~~

$$ABA = \{[(BA \times 0.63 \times PDI) + (BA \times 0.37)] \times R\} + [ABA89 \times (1 + BA - 1426) \times (1 - R)] + T$$

where:

"ABA" is the adjusted basic allotment;

"BA" is the basic allotment;

"PDI" is the price differential index for the district adopted by the State Board of Education in November, 1988;

"ABA89" is the district's adjusted basic allotment for the 1988-1989 school year;

"R" is a factor that is 0.2 for the 1989-1990 school year and 0.5 for the 1990-1991 school year; and

"T" is a factor the application of which the commissioner determines results in limiting the district's loss of state aid to not more than eight percent of the district's prior year maintenance and operations tax levy.

[c] If no index or formula is adopted pursuant to Subchapter E of this chapter, the commissioner shall apply the index and formula provided by this section for the 1990-1991 school year.

[d] Beginning with the 1990-1991 school year, the benefit derived under this section shall be reduced by the commissioner of education if the current year tax collection of the district is less than the collection that would result by imposing a tax rate of \$0.70 on the value of taxable property in the district used under Section 16.252 of this code. The amount of the reduction shall be proportionate to the relationship between the district's tax collection and the collection computed under this subsection.]

Sec. 16.103. SMALL DISTRICT ADJUSTMENT. (a) The [For the 1989-1990 and 1990-1991 school years, the] basic allotment for certain small districts is adjusted in accordance with Subsections (b) and (c) of this section. In this section:

(1) "AA" is the district's adjusted allotment per student;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 16.101 of this code; and

(3) "ABA" is the adjusted basic allotment determined under Section 16.102 of this code.

(b) The average daily attendance of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA$$

(c) The average daily attendance of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA$$

(d) Beginning with the 1990-1991 school year, the benefit derived under this section shall be reduced by the commissioner of education if the current year tax collection of the district is less than the collection that would result by imposing a tax rate of \$0.70 per \$100 valuation on the value of taxable property in the district used under Section 16.252 of this code. The amount of the reduction shall be proportionate to the relationship between the district's tax collection and the collection computed under this subsection.

[e] If no index or formula is adopted pursuant to Subchapter E of this chapter, a district's basic allotment shall be adjusted under this section in the manner provided for the 1990-1991 school year.]

Sec. 16.1031. USE OF SMALL DISTRICT ADJUSTMENT IN CALCULATING SPECIAL ALLOTMENTS. In determining the amount of a

special allotment under Subchapter D of this chapter for a district to which Section 16.103 of this code applies, a district's adjusted basic allotment is considered to be the district's adjusted allotment determined under Section 16.103.

Sec. 16.104. SPARSITY ADJUSTMENT. (a) Notwithstanding Sections 16.101 and ~~16.102~~ of this code, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted basic allotment on the basis of 130 average daily attendance if it offers a kindergarten through grade 12 program and has prior or current year's weighted average daily attendance of at least 90 students or is ~~20~~ ~~30~~ miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose prior or current year's weighted average daily attendance was at least 50 students or which is ~~20~~ ~~30~~ miles or more by bus route from the nearest high school district shall be provided an adjusted basic allotment on the basis of 75 average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted basic allotment if a district offers a kindergarten through grade 6 program and has prior or current year's weighted average daily attendance of at least 40 students or is ~~20~~ ~~30~~ miles or more by bus route from the nearest high school district.

(b) In this section, "weighted average daily attendance" has the meaning assigned by Section 16.302 of this code.

SUBCHAPTER D. SPECIAL ALLOTMENTS

Sec. 16.151. SPECIAL EDUCATION. (a) For each full-time equivalent student in average daily attendance in a special education program under Subchapter N, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight determined according to instructional arrangement ~~which for the 1989-1990 and 1990-1991 school years is~~ as follows:

Homebound	5.0
Hospital class	5.0
Speech therapy	7.11
Resource room	2.7
Self-contained, mild and moderate, regular campus	2.3
Self-contained, severe, regular campus	3.5
Self-contained, separate campus	2.7
Multidistrict class	3.5
Nonpublic day school	3.5
Vocational adjustment class	2.3
Community class	3.5
Mainstream	0.25

(b) A special instructional arrangement for handicapped students residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established under the rules of the State Board of Education. The funding weight for this arrangement shall be 5.0 for those students who receive their education service on a local school district campus. A special instructional arrangement for handicapped students residing in state schools shall be established under the rules of the State Board of Education with a funding weight of 5.0.

~~[(d) The legislature by general law may adopt the weights adopted by the State Board of Education for any biennium. If the weights are not adopted, the amount of an allotment under this section is determined under Subsection (a) of this section.]~~

(e) The State Board of Education by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under this section.

(f) In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.

(g) The State Board of Education shall adopt rules and procedures governing contracts for residential placement of special education students. The legislature shall provide by appropriation for the state's share of the costs of those placements.

(h) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in the special education program under Subchapter N, Chapter 21, of this code.

(i) In the determination of instructional arrangements and assignment of weights for students in residential instructional arrangements, the State Board of Education shall develop arrangements and weights that encourage placement of students in the least restrictive environment appropriate for their educational needs.

(j) The Central Education Agency shall encourage the placement of students in special education programs in the least restrictive environment appropriate for their educational needs. The Central Education Agency shall provide transitional support for the movement of students from self-contained severe (totally self-contained) to self-contained mild and moderate (partially self-contained) instructional arrangements. For each student placed in a partially self-contained classroom who was placed in a totally self-contained classroom for at least two-thirds of the prior year, a district will receive \$2,500. This payment must be used to facilitate the placement of the student in the less restrictive environment (partially self-contained classroom). A district may not receive more than one support payment for any individual student. This support payment shall be forfeited by the district if the student is returned to the totally self-contained classroom instructional arrangement within one month of placement into the partially self-contained classroom or within one year of initial reclassification without adequate justification.

(k) A school district that maintains for two successive years a ratio of full-time equivalent students placed in totally self-contained classrooms to the number of full-time equivalent students placed in partially self-contained classrooms that is 25 percent higher than the statewide average ratio shall be reviewed by the Central Education Agency to determine the appropriateness of student placement. To the extent that there are net cost savings to the state resulting from the movement of students from totally self-contained to partially self-contained, as provided in Subsection (j) of this section, those net savings will be directed to regional education service centers to provide technical assistance in accordance with Section 11.33(c) of this code regarding the movement of students to less restrictive environments to those school districts whose ratio of full-time equivalent students placed in totally self-contained classrooms is 25 percent higher than the statewide average.

(l) A student in a mainstream instructional arrangement who is not also in another instructional arrangement as provided in Subsection (a) of this section is provided the support necessary for the student to remain in the regular classroom. This support may include related services as defined in Section 21.502 of this code, special teaching, or other special education support services while in the regular classroom.

Sec. 16.1511. SPECIAL EDUCATION EXTENDED SERVICES ALLOTMENT. (a) For each full-time equivalent student in average daily attendance for whom a district provides an extended year program under Subchapter N, Chapter 21, of this code, the district is entitled to 75 percent of the annual allotment that is computed by prorating the adjusted basic allotment for the period of the extended year program and multiplying the prorated amount by the

amount designated for the student's instructional arrangement under Section 16.151 of this code.

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used to provide extended year programs under Subchapter N, Chapter 21, of this code.

(c) In this section:

(1) "Extended year program" means services provided under Subchapter N, Chapter 21, of this code during the period in which school is recessed for the summer.

(2) "Full-time equivalent student" has the meaning assigned by Section 16.151 of this code.

(d) This section expires September 1, 1991.

Sec. 16.152. COMPENSATORY EDUCATION ALLOTMENT. (a) For each student who is educationally disadvantaged or who is a nonhandicapped student residing in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 21.557 of this code because the student is pregnant.

(b) For purposes of this section, the number of educationally disadvantaged students is determined by averaging the best six months' enrollment in the national school lunch program of free or reduced-price lunches for the preceding school year.

(c) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, which shall not exceed 15 percent, must be used in providing remedial and compensatory education programs under Section 21.557 of this code, and the district must account for the expenditure of state funds by program and by campus. Funds allocated under this section, other than the indirect cost allotment, shall only be expended for supplemental purposes in addition to those programs and services funded under the regular education program of the district from all funding sources.

(d) The Central Education Agency shall evaluate the effectiveness of remedial and support programs provided under Section 21.557 of this code for students at risk of dropping out of school.

(e) A school district in which the actual dropout rate in any school year exceeds the state's dropout rate goal for that year under Subsection (a) of Section 11.205 of this code shall, for the school year immediately following that school year, allocate a percentage of the district's allotment under this section to remedial and support programs under Section 21.557 of this code for students at risk of dropping out of school. The percentage allocated to those programs must be at least equal to the state's actual dropout rate for the preceding year. The programs must be programs authorized by the State Board of Education. The Central Education Agency shall provide to the district technical assistance in reducing the district's dropout rate. At the request of a district, the commissioner of education may exempt the district from the requirements of this section if the commissioner finds that special circumstances in the district merit the exemption.

(f) [(e)] The commissioner of education may:

(1) retain a portion of the total amount allotted under Subsection (a) of this section that the commissioner considers appropriate to finance pilot programs under Section 11.191 of this code and to finance intensive remedial instruction programs and study guides provided under Sections 21.552(b) and (c) of this code; and

(2) reduce each district's allotment proportionately.

(g) [(f)] From the total amount of funds appropriated for allotments under this section, the commissioner of education shall, each fiscal year, withhold the

amount of \$10,000,000 and distribute that amount for programs under Section 21.114 of this code. The program established under that section is required only in school districts in which the program is financed by funds distributed under this section and any other funds available for the program.

(h) [(g)] The commissioner of education shall coordinate the funds withheld under Subsection (g) [(f)] of this section and any other funds available for the program and shall distribute those funds. To receive funds for the program, a school district must apply to the commissioner. The commissioner shall give a preference to the districts that apply that have the highest concentration of students who are pregnant or who are parents.

(i) [(h)] After deducting the amount withheld under Subsection (g) [(f)] of this section from the total amount appropriated for the allotment under Subsection (a) of this section, the commissioner of education shall reduce each district's allotment under Subsection (a) proportionately and shall allocate funds to each district accordingly.

(j) [(i)] Notwithstanding any provision to the contrary in Section 16.151 of this code, a school district is not entitled to an allotment under that section for the self-contained, pregnant instructional arrangement for students on those campuses for which the district receives funds under Subsection (h) [(f)] of this section.

[(j) From the total amount of funds appropriated for allotments under this section, the commissioner of education shall withhold the amount of \$500,000 for the 1989-1990 fiscal year and \$500,000 for the 1990-1991 fiscal year for the pilot program under Section 11.2052 of this code. The agency may allocate part of that amount for the costs of the study of the effectiveness of the program. After deducting the amount withheld from the total amount appropriated for the allotment under Subsection (a) of this section, the commissioner of education shall reduce each district's allotment under Subsection (a) proportionately and shall allocate funds to each district accordingly. This subsection expires August 31, 1991.]

Sec. 16.153. BILINGUAL EDUCATION ALLOTMENT. (a) For each student in average daily attendance in a bilingual education or special language program under Subchapter L, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1.

(b) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing bilingual education or special language programs under Subchapter L, Chapter 21, of this code.

(c) A district's bilingual education or special language allocation may be used only for program and pupil evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size.

Sec. 16.155. VOCATIONAL EDUCATION ALLOTMENT. (a) For each full-time equivalent student in average daily attendance in an approved vocational education program in grades nine through 12 or in vocational education for the handicapped programs in grades seven through 12, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.37.

[(b) For each full-time equivalent student in average daily attendance in an approved vocational education program under Section 21.112 of this code, a district is entitled to an annual allotment, beginning with the 1991-1992 school year, equal to the adjusted basic allotment multiplied by a weight established by the State Board of Education according to program component. Each weight established by the board must correlate to the costs per student of the program component. The average weight established by the board under this section for all program components in all districts may not exceed the greater of 1.45 or a weight provided by appropriation. The components for which the board shall establish weights are

general vocational education, pre-employment laboratory, education for special needs students, and master plan initiatives. The board shall adopt the system not later than 30 days before the first day of each regular session of the legislature.

[(c) The legislature by general law may adopt the weights adopted by the State Board of Education for any biennium. If the weights are not adopted, the weight contained in Subsection (a) of this section shall be utilized for the determination of vocational education allotments.]

(b) [(d)] In this section, "full-time equivalent student" means 30 hours of contact a week between a student and vocational education program personnel.

(c) [(e)] Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing vocational education programs in grades nine through 12 or vocational education for the handicapped programs in grades seven through 12 under the provisions of Sections 21.111, 21.1111, and 21.112 of this code.

(d) [(f)] The indirect cost allotment established under board rules shall first be effective for the 1991-1992 school year consistent with the weight effective that year.

(e) [(g)] The commissioner shall conduct a cost-benefit comparison between vocational education programs and mathematics and science programs.

Sec. 16.156. TRANSPORTATION ALLOTMENT. (a) Each district or county operating a transportation system is entitled to allotments for transportation costs as provided by this section.

(b) As used in this section:

(1) "Regular eligible pupil" means a pupil who resides two or more miles from his or her campus of regular attendance, measured along the shortest route that may be traveled on public roads, and who is not classified as an eligible handicapped pupil.

(2) "Eligible handicapped pupil" means a pupil who is handicapped as defined in Section 21.503 of this code and who would be unable to attend classes without special transportation services.

(3) "Linear density" means the average number of regular eligible pupils transported daily, divided by the approved daily route miles traveled by the respective transportation system.

(c) Each district or county operating a regular transportation system is entitled to an allotment based on the daily cost per regular eligible pupil of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. The average actual cost is to be computed by the commissioner of education and included for consideration by the Foundation School Fund Budget [Program] Committee and the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.

(d) A district or county may apply for and on approval of the commissioner of education receive an additional amount of up to 10 percent of its regular transportation allotment to be used for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Each board of trustees shall provide to the commissioner the definition of hazardous conditions applicable to that district and shall identify the specific hazardous areas for which the allocation is requested. A hazardous condition exists where no walkway is provided and children must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition.

(e) The state commissioner of education may grant an amount set by appropriation for private or commercial transportation for eligible pupils from isolated areas. The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. The grants shall be made only in extreme hardship cases, and no grants shall be made if the pupils live within two miles of an approved school bus route.

(f) The cost of transporting vocational education students from one campus to another inside a district or from a sending district to another secondary public school for a vocational program or an area vocational school or to an approved post-secondary institution under a contract for instruction approved by the Central Education Agency shall be reimbursed based on the number of actual miles traveled times the district's official extracurricular travel per mile rate as set by their local board of trustees and approved by the Central Education Agency.

(g) A school district or county that provides special transportation services for eligible handicapped pupils is entitled to a state allocation paid on a previous year's cost-per-mile basis. The maximum rate per mile allowable shall be set by appropriation based on data gathered from the first year of each preceding biennium. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner of education may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible handicapped pupils. The mileage allowed shall be computed along the shortest public road from the pupil's home to school and back, morning and afternoon. The need for this type transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

(h) The allocation for eligible regular students transported by the regular transportation system shall be increased by five percent for any district or county school board which has complied with the provisions of Section 21.173 of this code in accordance with rules adopted by the State Board of Education.

(i) Funds allotted under this section must be used in providing transportation services.

(j) In the case of a district belonging to a county transportation system, the district's transportation allotment for purposes of determining a district's foundation school program allocations [~~under Section 16.157 of this code~~] shall be determined on the basis of the number of approved daily route miles in the district multiplied by the allotment per mile to which the county transportation system is entitled.

Sec. 16.158. CAREER LADDER ALLOTMENT. (a) Each district is entitled to an allotment for support of the career ladder equal to its unadjusted average daily attendance multiplied by \$90.

(b) An allotment under this section may be used only for the purposes of career ladder supplements.

(c) From the funds designated for that purpose, the district shall supplement the salary of each teacher above level one on the career ladder. The district shall decide the amount of supplement to be provided at each career ladder level.

(d) Money received under this section may not be used to supplement the salary of an employee for directing cocurricular or extracurricular activities.

Sec. 16.159. GIFTED AND TALENTED STUDENT ALLOTMENT. (a) For each student a school district serves in a Central Education Agency approved program for gifted and talented students under Subchapter Q, Chapter 21, of this code or, in the case of a district that is developing a program in accordance with standards established by the commissioner of education, for each student the district identifies as gifted and talented under State Board of Education criteria, a district is entitled to an annual allotment equal to the district's adjusted basic allotment as determined under Section 16.102 [~~or Section 16.103~~] of this code, as applicable, multiplied by:

~~[(1) .047 for the 1989-1990 school year; and~~
~~[(2)] .12 for [the 1990-1991 school year and for] each school year~~
 [thereafter] or a greater amount provided by appropriation.

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in providing approved programs for gifted and talented students under Subchapter Q, Chapter 21, of this code or, in the case of a district that has not yet established a program, in developing programs for gifted and talented students. Each district must account for the expenditure of state funds as provided by rule of the State Board of Education. If by the end of the 12th month after receiving an allotment for developing a program a district has failed to implement an approved program, the district must refund the amount of the allotment to the agency within 30 days.

(c) Not more than five percent of a district's students in average daily attendance are eligible for funding under this section.

(d) If the amount of state funds for which school districts are eligible under this section exceeds the amount of state funds appropriated in any year for the programs, the commissioner of education shall reduce each district's allotment on a pro rata basis.

(e) If the total amount of funds allotted under this section before a date set by rule of the State Board of Education is less than the total amount appropriated for a school year, the commissioner shall distribute the remainder proportionately to the districts that have received an allotment, and no other districts are eligible for an allotment for that school year.

(f) After each district has received allotted funds for this program, the State Board of Education may use up to \$500,000 of the funds allocated under this section for programs such as Future Problem Solving Olympics of the Mind, and Academic Decathlon, as long as these funds are used to train personnel and provide program services. To be eligible for funding under this section, a program must be determined by the State Board of Education to provide services that are effective and consistent with the state plan for gifted and talented education.

~~[SUBCHAPTER E. COST OF EDUCATION INDEX~~

~~[Sec. 16.178. ADVISORY COMMITTEE. (d) The Central Education Agency shall provide clerical and staff assistance to the advisory committee. Subject to the approval of the State Board of Education, the commissioner of education shall retain from the allotments under Sections 16.102 and 16.103 of this code an amount appropriate to finance necessary additional costs for the study authorized by this subchapter.]~~

SUBCHAPTER F. ACCOUNTABLE COSTS OF EDUCATION

Sec. 16.201. PURPOSE. The accountable costs of education studies are designed to support the development of the equalized funding elements necessary to provide an efficient state and local public school finance system which meets the state policy established in Section 16.001 of this code and provides the research basis for the equalized funding elements under the provisions of Section 16.256 ~~[16.008]~~ of this code. ~~[In determining accountable costs, the boards may not include costs of cocurricular and extracurricular programs and shall consider the results of the efficiency in administration report under Section 16.205 of this code.]~~

Sec. 16.202. STUDIES. ~~[(a)]~~ On a biennial basis, the Legislative Education Board and the Legislative Budget Board, with the assistance of the Educational Economic Policy Center and the Central Education Agency, shall complete each of the following studies and develop recommended amounts where appropriate for each year of the next biennium:

(1) a study of the fiscal neutrality of the system to determine the status of the state and local finance system with regard to the policies established under

the provisions of Section 16.001 of this code, including recommendations for adjustments necessary to maintain fiscal neutrality;

(2) the accountable costs per student to school districts of providing educational programs, personnel, and other operating costs that meet accreditation criteria and the provisions of law and regulation;

(3) a cost of education index designed to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of school districts;

(4) program cost differentials designed by program to provide support for the added expense of high-cost courses or programs for students participating in such courses or programs, with the program funding level expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;

(5) transportation and career ladder allotments;

(6) ~~the accountable costs per student to districts rated as exemplary under the provisions of Subchapter T of Chapter 21 of this code for the provision of personnel, programs, and other operating expenses, with the limitation that for the 1993-1994 and the 1994-1995 school years this level may not be less than 95 percent nor more than 100 percent of the 95th percentile of state and local revenue per pupil;~~

[(7)] the levels of tax effort necessary for each tier of the Foundation School Program necessary to fulfill the requirements of Sections 16.001 and 16.008 of this code; and

(7) [(8)] capital outlay and debt service requirements and formula elements for the requirements of Subchapter I of this chapter or other provisions of this chapter.

[(b) In the determination of costs and revenues under this chapter, the boards shall consider those costs and revenues necessary for operation, maintenance, and administration and those costs necessary for adequate facilities and equipment and shall exclude all other costs.]

Sec. 16.203. PROCEDURES. (a) In the determination of the statistical measures used for the calculation of fiscal neutrality, the boards shall use only those measures recommended by an impartial panel of persons expert in the use of statistics appointed by the boards.

(b) The cost of education index shall be based on one or more models that consider the effect of school district or other characteristics on the cost of public education in the various school districts of the state. The districts may be divided into a variety of categories that may include region, size, area, density, educational characteristics, and economic conditions. The index shall adjust only for specific resource cost variations caused by factors beyond the control of school districts, to include personnel, variations from optimal district size, and other cost factors. Factors that are addressed by other formula adjustments in the Foundation School Program are not to be considered. Variations should be based on the most efficient service delivery systems. An impartial panel of persons expert in econometric modeling, statistics, and related fields shall be consulted in the development of the index, examination of cost factors, and development of models. The commissioner of education shall collect data necessary to the development of the models and index. The boards shall develop a formula for applying the index to the basic allotment in a manner that appropriately reflects the relative significance of the costs adjusted by the index to the overall cost of a minimum accredited regular education program represented by the basic allotment.

(c) The cost of education index developed jointly by the Legislative Education Board and the Legislative Budget Board shall be submitted to the foundation school fund budget committee for adoption. The cost of education index adopted by the committee shall be effective beginning with the 1991-1992 school year.

(d) The program cost differentials developed jointly by the Legislative Education Board and the Legislative Budget Board shall be submitted to the foundation school fund budget committee for adoption beginning with the 1993-1994 [1992-1993] school year. If the foundation school fund budget committee fails to adopt by April 1 the program cost differentials for the following school year, the commissioner of education, after considering the recommendations developed by those boards, shall adopt program cost differentials.

(e) The commissioner of education shall provide appropriate assistance to the boards for the calculation of the various funding elements. Subject to review by the Legislative Education Board, the commissioner of education shall retain from the allotments under Section [Sections] 16.102 [and 16.103] of this code and Subchapter D of this chapter amounts appropriate to finance necessary additional costs for the studies required under this subchapter.

(f) The boards may appoint advisory committees to assist in the development of the various funding elements and studies required under this subchapter. Advisory committee members serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties. Reimbursement shall be from funds available under Subsection (e) of this section or from other funds available to the boards.

(g) In the studies relating to program cost differentials the boards shall give special consideration to cost factors associated with class size, laboratory expenses, materials, equipment, teacher training, necessary salary supplementation, and special services related to individual courses or groups of courses.

Sec. 16.204. NAVAL MILITARY FACILITY IMPACT. (a) The model on which a cost of education index is based must specifically consider the impact of a significant new naval military facility on each district in an impacted region.

(b) If the construction or operation of a significant new naval military facility begins during a school year, the Legislative Education Board and the Legislative Budget Board shall recommend the adjustment of the basic allotment during that school year to consider any impact of the facility on the cost of education index of the districts in the impacted region.

(c) In this section, "significant new naval military facility" and "impacted region" have the meanings assigned by Section 4, Article 1, National Defense Impacted Region Assistance Act of 1985 (Article 689a-4d, Vernon's Texas Civil Statutes).

Sec. 16.205. EFFICIENCY IN ADMINISTRATION REPORT. (a) The commissioner of education shall conduct a study to determine the most appropriate and efficient method for reporting and monitoring the allocation of resources by school districts.

(b) The study shall identify the most effective means for calculating, monitoring, and reporting the proportion of resources that school districts allocate for their administrative costs and shall include administrator-teacher ratios.

(c) The study shall include a description of average efficient administrative expenditures by districts with consideration of district size and demographics.

(d) Prior to the beginning of each regular session of the legislature, the agency shall provide a report with recommendations to the Legislative Education Board and the legislature.

(e) The study is an element of the study of accountable costs of education under this subchapter.

SUBCHAPTER G. FINANCING THE PROGRAM

Sec. 16.251. FINANCING; GENERAL RULE. (a) The sum of the basic allotment under Subchapter C, the special allotments under Subchapter D, and the guaranteed yield allotments under Subchapters [Subchapter] H and I, computed in

accordance with the provisions of this chapter, constitute the total cost of the Foundation School Program.

(b) The program shall be financed by:

(1) ad valorem tax revenue generated by an equalized uniform local school district effort;

(2) ad valorem tax revenue generated by local school district effort in excess of the equalized uniform effort;

(3) state available school funds distributed in accordance with law; [and]

(4) state funds appropriated for the purposes of public school education and allocated to each district in an amount sufficient to finance the cost of each district's Foundation School Program not covered by other funds specified in this subsection; and

(5) funds within each county education district.

(c) The commissioner of education shall compute for each school district the total amount, if any, by which the state aid under this chapter is reduced from one school year to the next because of a change in the method by which the amount of state aid is determined under this chapter. The commissioner shall certify the amount of the reduction to the school district for use in determining the school district's rollback rate under Section 26.08, Tax Code.

(d) Not later than July ~~[June]~~ 1 of each year, the commissioner of education shall estimate for and certify to each school district the amount of tax collections ~~[levy]~~ for maintenance and operations and debt service that will result in the greatest amount of distributions to the district from the foundation school fund under this subchapter in the following school year.

Sec. 16.252. LOCAL SHARE OF PROGRAM COST. (a) Each school district's share of the [its] Foundation School Program shall be an amount determined by the following formula:

$$LFA - TR \times DPV$$

where:

"LFA" is the district's local share;

"TR" is a tax rate which is \$0.80 ~~[for the 1990-1991 school year shall be computed by the commissioner of education before the 1990-1991 school year as the rate that will raise a total local share, prior to adjustments, equal to 41 percent of the current year Foundation School Program estimated costs under Subchapters C and D of this chapter other than the adjustments made under Sections 16.102(d) and 16.103(d) of this code, and which shall be \$0.70]~~ per hundred dollars of valuation for each school year [thereafter], or a rate as adopted by the foundation school fund budget committee for the 1993-1994 and 1994-1995 school years and thereafter under authority granted in Section 16.256(d) of this code; and

"DPV" is the taxable value of property in the district for the prior tax year determined under Section 11.86 of this code.

(b) The commissioner of education shall adjust the values reported in the official report of the State Property Tax Board to reflect reductions in taxable value of property resulting from natural or economic disaster after January 1 in the year in which the valuations are determined. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other district.

(c) Appeals of district values shall be held pursuant to Subsection (e) of Section 11.86 of this code.

(d) A district shall raise its total local share of [its program cost in order to qualify for aid from] the foundation school program [fund]. If the total local share plus the distribution from the available school fund exceeds the cost of tier one, the district shall remit the excess to the entity designated by the comptroller of public

accounts to receive the funds. The funds shall be reallocated to school districts in the county education district in which the funds were generated in the manner prescribed by Subchapter J of this chapter.

(e) The commissioner of education shall hear appeals from local school districts which have experienced a rapid decline in tax base used in calculating the local fund assignment, exceeding eight percent of prior year, that is beyond the control of the local board of trustees. The commissioner of education may adjust the local school district's taxable values for local fund assignment purposes for such losses in value exceeding eight percent and thereby adjust the local fund assignment to reflect the local current year taxable value. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other district.

~~[Sec. 16.253. EXCESS OF LOCAL FUNDS OVER AMOUNT ASSIGNED. Local maintenance funds in excess of the amount assigned to a district may be expended for any lawful school purpose or carried over to the next school year.]~~

Sec. 16.254. DISTRIBUTION OF FOUNDATION SCHOOL FUND. (a) The commissioner of education shall determine annually:

(1) the amount of money necessary to operate a Foundation School Program in each school district;

(2) the amount of local funds assigned to each school district for the support of the program; ~~[and]~~

(3) the amount of state available school funds distributed to each school district; ~~and~~

(4) the amount of first tier funds distributed to the district under Subchapter J of this chapter.

(b) The commissioner of education shall then grant to each school district from the Foundation School Program appropriation the amount of funds necessary to provide the difference between Subdivision (1) and the sum of Subdivisions (2), ~~[and] (3), and (4) of Subsection (a) of this section.~~

(c) The commissioner shall approve warrants to each school district equaling the amount of its grant. Warrants for all money expended according to the provisions of this chapter shall be approved and transmitted to treasurers or depositories of school districts in the same manner as warrants for state apportionment are transmitted.

(d) Notwithstanding any other provision of this chapter, if for any year the total state's share of the Foundation School Program ~~[including enrichment equalization allotments]~~, as determined under this chapter, exceeds the total amount appropriated for that year, the commissioner shall reduce the total amount of state funds allocated to each district by an amount determined by a formula adopted by the State Board of Education. In adopting the formula, the board shall consider each district's taxable property value, each district's effective tax rate, the amount of delinquent taxes as a percent of the district's total tax levy, and other factors that the board considers appropriate.

(e) The commissioner of education shall compute for each school district the total amount by which the district's allocation of state funds is reduced under Subsection (d) of this section and shall certify that amount to the district.

Sec. 16.255. FALSIFICATION OF RECORDS; REPORT. (a) When, in the opinion of the director of school audits of the Central Education Agency, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of the records, or violation of the provisions of this chapter, whereby the district's share of state funds allocated under the authority of this chapter would be, or has been, illegally increased, the director shall promptly and fully report the fact to the State Board of Education and the state auditor.

(b) In the event of overallocation of state funds, as determined by the State Board of Education or the state auditor by reference to the director's report, the Central Education Agency shall, by withholding from subsequent allocations of state funds, recover from the district an amount, or amounts, equal to the overallocation.

Sec. 16.256. FOUNDATION SCHOOL FUND BUDGET COMMITTEE.

(a) The foundation school fund budget committee is composed of the governor, the lieutenant governor, and the comptroller of public accounts.

(b) On or before November 1 before each regular session of the legislature, the budget committee shall determine and certify to the comptroller of public accounts an amount of money to be placed in the foundation school fund for the succeeding biennium for the purpose of financing the Foundation School Program as described in this code.

(c) The budget committee may, during the biennium, change the estimate of money necessary to finance the Foundation School Program.

(d) The foundation school fund budget committee shall adopt rules for the calculation for each year of a biennium of the qualified funding elements necessary to achieve the state funding policy under Section 16.001 of this code not later than the 1994-1995 school year and for each year thereafter. In the calculation of these funding elements, the committee shall consider the report of the Legislative Education Board prescribed under Section 16.008 of this code.

(e) The funding elements shall include:

(1) a basic allotment for the purposes of Section 16.101 of this code that represents the cost per student of a regular education program that meets the basic criteria for an accredited program including all mandates of law and regulation;

(2) the formula or other provision for the cost of education index designed to reflect the geographic variation in known resource costs and costs of education beyond the control of school districts for the purposes of Section [Sections] 16.102 [~~and 16.103~~] of this code;

(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter D of this chapter, with the program funding level expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;

(4) the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter H of this chapter [~~that represents the costs as determined and limited under Subchapter F of this chapter for exemplary programs including the cost of facilities and equipment until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter~~];

(5) the total tax rates for the local funding requirements of Section 16.252 of this code and Subchapter H of this chapter [~~including tax rates for capital outlay and debt service until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter~~]; and

(6) the formula elements for the funding formulas for capital outlay and debt service under the provision of Subchapter I of this chapter.

(f) Beginning in 1992, not later than November 1 preceding each regular session of the legislature, the foundation school fund budget committee by rule shall adopt and report the equalized funding elements calculated under this section to the commissioner of education and the legislature. Before the committee adopts the elements, the committee or the committee's designees shall hold a public hearing on the recommendations of the Legislative Education Board.

(g) Notwithstanding other provisions of this section, the funding elements adopted by the foundation school fund budget committee for the 1993-1994 school

year and the 1994-1995 school year shall provide for appropriate transition from the program in effect for the 1992-1993 school year.

Sec. 16.258. EFFECT OF APPRAISAL APPEAL. (a) If the final determination of an appeal under Chapter 42, Tax Code, results in a reduction in the taxable value of property that exceeds five percent of the total taxable value of property in the school district for the same tax year determined under Section 11.86 of this code, the commissioner of education shall request the State Property Tax Board to adjust its taxable property value findings for that year consistent with the final determination of the appraisal appeal.

(b) If the district would have received a greater amount from the foundation school fund for the applicable school year using the adjusted value, the commissioner shall add the difference to subsequent distributions to the district from the foundation school fund. An adjustment does not affect the local fund assignment of any other district.

Sec. 16.260. FOUNDATION SCHOOL FUND TRANSFERS. (a) In this section:

(1) "Category 1 school district" means a school district having a wealth of less than one-half of the statewide average wealth.

(2) "Category 2 school district" means a school district having a wealth of at least one-half of the statewide average wealth per pupil but not more than the statewide average wealth.

(3) "Category 3 school district" means a school district having a wealth of more than the statewide average wealth.

(4) "Wealth" means the taxable property values reported by the State Property Tax Board to the commissioner of education under Section 16.252 of this code divided by the number of students in average daily attendance.

(b) Payments from the foundation school fund to each category 1 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 57 percent of the yearly entitlement of the district shall be paid in six equal installments to be made on or before the 25th day of November, December, January, February, March, and July; and

(3) 22 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of April and May.

(c) Payments from the foundation school fund to each category 2 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 38 percent of the yearly entitlement of the district shall be paid in four equal installments to be made on or before the 25th day of November, December, March, and July;

(3) seven percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of January and February;

(4) 22 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of April and May; and

(5) 12 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of June and August.

(d) Payments from the foundation school fund to each category 3 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the school shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 57 percent of the yearly entitlement of the school shall be paid in six equal installments to be made on or before the 25th day of November, December, March, June, July, and August; and

(3) 22 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of April and May.

(e) The amount of any installment required by this section may be modified to provide a school district with the proper amount to which the district may be entitled by law and to correct errors in the allocation or distribution of funds. If an installment under this section is required to be equal to other installments, the amount of other installments may be adjusted to provide for that equality. A payment under this section is not invalid because it is not equal to other installments.

SUBCHAPTER H. GUARANTEED YIELD PROGRAM

Sec. 16.301. PURPOSE. The purpose of the guaranteed yield component of the Foundation School Program is to provide each district with the opportunity to supplement the basic program at a level of its own choice. An allotment under this subchapter may be used for any legal purpose, including capital outlay and debt service.

Sec. 16.302. ALLOTMENT. (a) Each district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 16.303 of this code, is determined by the formula:

$$GYA = (GL \times WADA \times DTR \times 100) - (LR + RTD)$$

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is \$26 [~~\$17.90 for the 1990-1991 school year and \$26.05~~] for each school year [thereafter], or a greater amount for any year provided by appropriation, or an amount adopted by the foundation school fund budget committee under Section 16.256(d) of this code for the 1993-1994 or 1994-1995 school year or thereafter;

"WADA" is the number of weighted students in average daily attendance, which is calculated by dividing the sum of the district's allotments under Subchapters C and D of this chapter, less any allotments to the district for transportation or for career ladder supplements and 50 percent of the adjustment under Section 16.102 of this code, by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the district, which is determined by subtracting the local share [~~fund assignment~~] of the district determined under Section 16.252 of this code from the amount of taxes collected by the district for the applicable school year and dividing the result by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100; [and]

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100; and

"RTD" is the amount distributed to the district for this tier of the Foundation School Program under Subchapter J of this chapter.

(b) Beginning with the 1993-1994 [1992-1993] school year, if the cost of education index and program cost differentials developed jointly by the Legislative Education Board and the Legislative Budget Board under Section 16.203 of this code are not adopted by the foundation school fund budget committee or the commissioner of education, the amount guaranteed under this section is an amount per student rather than per weighted student and a district's average daily attendance ("ADA") under Section 16.006 of this code is substituted for "WADA" in the formula under Subsection (a) of this section.

(c) Any district for which the quotient of "LR" divided by "WADA" exceeds the product of "GL x DTR x 100" shall remit an amount equal to the excess multiplied by "WADA" to the entity designated by the comptroller of public accounts to receive the funds. The excess funds shall be reallocated to school districts in the county education district in which the funds were generated in the manner prescribed by Subchapter J of this chapter. [Beginning with the 1991-1992 school year, the Legislative Education Board under Section 16.008 of this code and the foundation school fund budget committee under Section 16.256 of this code may calculate rates for "GL" and for the limitation on "DTR" under Section 16.303 of this code using a percentile of property wealth per weighted student that is not less than the 90th percentile. The rates calculated will replace the rates stated in Subsection (a) of this section and Section 16.303 of this code.]

Sec. 16.303. **LIMITATION ON ENRICHMENT TAX RATE.** [(a)] The district enrichment tax rate ("DTR") under Section 16.302 of this code may not exceed \$0.30 [\$0.37 in the 1990-1991 school year, \$0.48 in each year thereafter], or an amount for 1993-1994 and 1994-1995 school years or thereafter as adopted by the foundation school fund budget committee under Section 16.256(d) of this code.

[(b) For districts that have a district enrichment tax rate in 1990-1991 of less than the maximum "DTR" as specified in Subsection (a) of this section, for years subsequent to 1990-1991, the annual maximum "DTR" for the school years 1991-1992 through 1993-1994 shall be limited to the 1990-1991 district enrichment tax rate plus:

- [(1) an amount equal to 25 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1991-1992 school year;
- [(2) an amount equal to 50 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1992-1993 school year; and
- [(3) an amount equal to 75 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1993-1994 school year.]

Sec. 16.304. **COMPUTATION OF AID FOR DISTRICT ON MILITARY RESERVATION OR AT STATE SCHOOL.** State assistance under this subchapter for a school district located on a federal military installation or at Moody State School is computed using the average tax rate and property value per student of school districts in the county, as determined by the commissioner of education.

SUBCHAPTER I. CAPITAL OUTLAY AND DEBT SERVICE

Sec. 16.401. **PURPOSE.** The purpose of the facilities component of the Foundation School Program is to provide each district with the opportunity to provide for adequate school facilities at a level of its own choice. An allotment under this subchapter shall be used for capital outlay or debt service.

Sec. 16.402. **ALLOTMENT.** (a) Each district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 16.303 of this code, is determined by the formula:

$$\text{FYA} = (\text{FL} \times \text{WADA} \times \text{FTR} \times 100) - (\text{FLR} + \text{RTD})$$

where:

"FYA" is the facilities yield amount of state funds to be allocated to the district;

"FL" is the dollar amount guaranteed facilities level of state and local funds per weighted student per cent of tax effort, which is \$26 or a greater amount for any year provided by appropriation, or an amount adopted by the foundation school fund budget committee under Section 16.256(d) of this code for the 1993-1994 or 1994-1995 school year or thereafter;

"WADA" is the number of weighted students in average daily attendance, which is calculated by dividing the sum of the district's allotments under Subchapters C and D of this chapter, less any allotments to the district for transportation or for career ladder supplements and 50 percent of the adjustment under Section 16.102 of this code, by the basic allotment for the applicable year;

"FTR" is the district facilities tax rate of the district, which is determined by dividing the amount of taxes collected by the district for debt service and facilities by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100;

"FLR" is the local revenue, which is determined by multiplying "FTR" by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100; and

"RTD" is the amount distributed to the district for this component of the Foundation School Program under Subchapter J of this chapter.

(b) Any district for which the quotient of "FLR" divided by "WADA" exceeds "FL" shall remit an amount equal to the excess multiplied by "WADA" to the entity designated by the comptroller of public accounts to receive the funds. The excess funds shall be reallocated to school districts in the county education district in which the funds were generated in the manner prescribed by Subchapter J of this chapter.

(c) A district that levies a bond tax in excess of the tax required to meet the district's maximum allocation under this subchapter may retain that portion of the tax collected that is necessary in addition to the amount guaranteed in this subchapter to pay for debt service on debt incurred before April 1, 1991. Bond tax collections in excess of that amount must be remitted to the entity designated by the comptroller for redistribution in this component.

(d) In fast growth districts, the weighted students in average daily attendance under Subsection (a) shall be adjusted by multiplying WADA by 1.25. A fast growth district is any district which has experienced an average increase in ADA of at least 2.5 percent for the previous five school years.

Sec. 16.403. LIMITATION ON FACILITIES TAX RATE. The district facilities tax rate (FTR) under Section 16.402 of this code may not exceed \$0.20 or an amount for the 1993-1994 and 1994-1995 school years or thereafter as adopted by the foundation school fund budget committee under Section 16.256(d) of this code.

Sec. 16.404 [16.401]. INVENTORY OF SCHOOL FACILITIES. (a) The State Board of Education shall establish a statewide inventory of school facilities and shall update the inventory on a periodic basis.

(b) The inventory shall include information on the condition, use, type, and replacement cost of public school facilities in this state.

Sec. 16.405 [16.402]. STANDARDS. The State Board of Education shall establish standards for adequacy of school facilities. The standards shall include requirements related to space, educational adequacy, and construction quality.

Sec. 16.406 [16.403]. ADVISORY COMMITTEE. The State Board of Education shall appoint a committee composed of 15 persons knowledgeable of various aspects of school facility planning, construction, renovation, and financing. The advisory committee shall provide the board and the commissioner with assistance on the development of the inventory system, the creation of facility

standards, and the conduct of facility research related to current and future roles of the state in the provision of financial and technical assistance to school districts. The members of the committee shall serve without compensation but may be reimbursed for actual and necessary expenses.

SUBCHAPTER J. COUNTY EDUCATION DISTRICT DISTRIBUTIONS

Sec. 16.501. TIERS ONE AND TWO; FACILITIES COMPONENT. (a) The commissioner of education shall notify each county education district of the total amount of funds that each school district in the county education district is entitled to receive under each of tiers one and two and the facilities component of the Foundation School Program.

(b) For each of tiers one and two and for the facilities component of the Foundation School Program, the entity designated by the comptroller of public accounts shall distribute to each school district in the county education district an amount determined by the formula:

$$CTD = AR \times (DE/CE)$$

where:

"CTD" is the distribution of the Foundation School Program that a school district is entitled to receive from the county education district;

"AR" is the total amount remitted to the entity designated by the comptroller of public accounts;

"DE" is the total amount of funds that the school district is entitled to receive;
and

"CE" is the total amount of funds that all school districts in the county education district are entitled to receive.

(c) For the purposes of determining the distribution to which a school district is entitled under this section, distributions to the district from the available school fund are excluded from the total amount of state funds to which the district is entitled under the first tier of the Foundation School Program.

(d) The amount to which each school district is entitled under this section shall be estimated preceding each school year. During the school year, the amounts shall be adjusted on the basis of actual tax collections.

Sec. 16.502. TIER THREE. (a) Each school district shall remit to the entity designated by the comptroller of public accounts 50 percent of all maintenance tax collections resulting from the district's tax effort above that required for the district's share of tier one and the district's maximum share of tier two. For tier three of the Foundation School Program, a county education district shall distribute to each school district in the county education district an amount determined by the formula:

$$DA = CP \times (D \text{ factor}/C \text{ factor})$$

where:

"DA" is the district's allocation from the county education district pool;

"CP" is the county education district pool of all funds remitted under this section;

"D factor" is the district's factor calculated by multiplying the number of weighted students in average daily attendance, as determined in Subchapter H of this chapter, by the district's tax effort above the tax effort required to generate the district's maximum local share of tiers one and two and the facilities component, expressed in cents per \$100 of taxable property value; and

"C factor" is the sum of all D factors for the school districts in the county education district.

(b) Notwithstanding Subsection (a) of this section, before the distribution required by that subsection is made, the entity designated by the comptroller shall return to each school district an amount per weighted student in average daily attendance equal to one-half of the amount spent by the district per weighted

student in average daily attendance from maintenance taxes and state funds for the 1990-1991 school year that exceeds the amount guaranteed from tiers one and three for FY95 but not exceeding the following percent of funds remitted to the entity collecting the funds for this tier:

- 75 percent for the 1991-1992 school year;
- 50 percent for the 1992-1993 school year;
- 25 percent for the 1993-1994 school year.

(c) In this section, "weighted student in average daily attendance" has the meaning assigned by Section 16.302 of this chapter. This subsection and Subsection (b) of this section expire September 1, 1994.

SECTION 2. Chapter 20, Education Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. COUNTY EDUCATION DISTRICTS

Sec. 20.941. CREATION; COMPOSITION. (a) Each county in this state is established as a county education district and is composed of all school districts whose administrative offices are located in the county, except as provided in Subsection (b) of this section.

(b) The following groups of counties constitute county education districts:

- (1) Midland and Andrews
- (2) Victoria and Calhoun
- (3) Armstrong, Carson, and Randall
- (4) Liberty and Chambers
- (5) Bailey and Cochran
- (6) Dallas and Kaufman
- (7) Gaines, Borden, Dawson, Lubbock, Lynn, Terry, and Yoakum
- (8) Howard and Glasscock
- (9) Hale and Hockley
- (10) Schleicher and Irion
- (11) Hidalgo and Kenedy
- (12) Kent, Crosby, Fisher, Garza, and Scurry
- (13) King, Cottle, and Dickens
- (14) Limestone and Falls
- (15) Lipscomb, Gray, Hemphill, Hutchinson, Ochiltree, and Roberts
- (16) Mason, San Saba, and Llano
- (17) Matagorda, Jackson, and Wharton
- (18) Frio and McMullen
- (19) Pecos, Crockett, Jeff Davis, Kinney, Presidio, and Val Verde
- (20) Bee and Refugio
- (21) Sherman, Dallam, Hansford, Moore, and Potter
- (22) Somervell, Bosque, Erath, and Johnson
- (23) Tom Green and Sterling
- (24) Kimble and Sutton
- (25) Brewster and Terrell
- (26) Upton, Crane, Ector, and Reagan
- (27) Wheeler, Collingsworth, and Donley
- (28) Winkler, Culberson, Reeves, and Ward
- (29) Starr and Zapata

(c) Before each regular session of the legislature the Legislative Education Board, with the assistance of the Legislative Budget Board, shall review the taxable property value in each county education district and shall recommend changes in the boundaries of the districts necessary to ensure that no district has taxable property value in excess of \$260,000 per weighted student in average daily attendance, or a greater value set by the Foundation School Budget Committee.

(d) In this section:

(1) Taxable value of property is the value determined under Section 11.86 of this code.

(2) Weighted student in average daily attendance has the meaning assigned in Section 16.302 of this code.

Sec. 20.942. AUTHORITY OF COMPONENT SCHOOL DISTRICTS. The governing board of a school district included in a county education district retains the authority to manage the public schools in the district and to levy, assess, and collect ad valorem taxes, subject to the provisions of Chapter 16 of this code.

SECTION 3. Section 21.758, Education Code, is amended to read as follows:

Sec. 21.758. STATE-OPERATED SCHOOL DISTRICT. (a) The commissioner of education may order the suspension of the powers of the board of trustees of a school district if the school district has been rated academically unaccredited for a period of one year ~~[two years]~~. The commissioner shall immediately inform the Legislative Education Board of the commissioner's decision to order the suspension.

(b) The commissioner of education shall order the immediate suspension of powers of a school district that fails to set a local effective tax rate that results in a yield that is at least equal to its local share required by Section 16.252 of this code. The commissioner shall immediately inform the Legislative Education Board of the commissioner's order of suspension.

(c) At the time the commissioner enters the order, the commissioner shall appoint a [board of managers to execute the powers of the board of trustees during the period of suspension and shall appoint a] district superintendent. The appointed superintendent shall perform all acts and duties necessary for the proper conduct, maintenance, and supervision of the schools in the district. The appointed superintendent has full authority over the affairs of the district including but not limited to the right to reset the district tax rate and, in his or her sole discretion, to authorize in the name of the district and its board of trustees any proceeding available under Chapter 19 of this code. ~~[The board of managers and the superintendent shall be appointed for terms not to exceed two years from the date that the order of suspension is entered.]~~

(d) [(c)] The appointed superintendent shall report annually to the commissioner on the status ~~[progress]~~ of the school district toward meeting the requirements necessary for accreditation. The commissioner shall report to the Legislative Education Board annually on the district's status ~~[progress]~~.

(e) [(d)] Based on the annual assessment of status ~~[progress]~~ of the school district, ~~[but no later than two years after the date that the order of suspension is entered,]~~ the commissioner may ~~[shall]~~ order that the suspension be terminated or that the district be annexed under Section 19.027 of this code.

(f) [(e)] If the commissioner determines that the suspension should be terminated, the appointed superintendent and the members of the superintendent's staff shall continue to serve for a one-year transition period.

(g) [(f)] An appointed superintendent may apply to the commissioner for an exemption for the school district from a requirement or prohibition imposed under this code, including a rule adopted under this code, other than a prohibition of conduct that constitutes a criminal offense or a requirement or prohibition included under Section 11.272(b) of this code.

SECTION 4. For the following school years, a school district is required to remit to its county education district only the following percentages of the amounts required to be remitted under Sections 16.252(d) and 16.302(c), Education Code, as added or amended by this Act:

- (1) 25 percent for the 1991-1992 school year;
- (2) 50 percent for the 1992-1993 school year; and

(3) 75 percent for the 1993-1994 school year.

SECTION 5. Notwithstanding any other provision of this Act:

(1) the increase or decrease in state aid per student to a school district from the amount of state aid per student to which the district was entitled for the 1990-1991 school year may not exceed:

- (A) 25 percent for the 1991-1992 school year;
- (B) 50 percent for the 1992-1993 school year; and
- (C) 75 percent for the 1993-1994 school year; and

(2) unless a different rate is adopted by the foundation school fund budget committee under Section 16.256, Education Code, "TR" under Section 16.252, Education Code, is a tax rate per hundred dollars of valuation that is:

- (A) \$0.60 for the 1991-1992 school year;
- (B) \$0.67 for the 1992-1993 school year; and
- (C) \$0.73 for the 1993-1994 school year.

SECTION 6. (a) Section 2 of this Act takes effect immediately.

(b) The remainder of this Act takes effect September 1, 1991.

SECTION 7. If any provisions of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of the Act are declared to be severable.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

The amendments incorporated in the text of **S.B. 351** were read.

Senator Parker moved that the Senate do not concur in the House amendments, but that a Conference Committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The President asked if there were any motions to instruct the Conference Committee on **S.B. 351** before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Parker, Chair; Green, Barrientos, Ratliff and Haley.

SENATE RESOLUTION 275

Senator Lyon offered the following resolution:

S.R. 275, Extending a welcome to the members of D-FY-IT (Drug-Free Youth in Texas) and commending them for their superb program.

The resolution was read and was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Sims was recognized and introduced citizens from Sterling County, here in honor of the 100th anniversary of the founding of the county.

An enrolled copy of **S.C.R. 54**, previously adopted by the Senate on February 26, 1991, was prepared for this event.

SENATE RESOLUTION 277

Senator Glasgow offered the following resolution:

S.R. 277, Extending an official welcome to Dr. Bob Holloway of Acton United Methodist Church, Acton, and expressing appreciation for his presence today and his invocation.

The resolution was read and was adopted by a viva voce vote.

(Senator Haley in Chair)

SENATE RESOLUTION 278

Senator Glasgow offered the following resolution:

S.R. 278, Recognizing March 4, 1991, as "Hood County Day."

The resolution was read and was adopted by a viva voce vote.

CAPITOL PHYSICIAN

Senator Barrientos was recognized and presented Dr. Gregg Lucksinger of Austin.

Dr. Lucksinger, participating in the "Capitol Physician" program sponsored by the Texas Academy of Family Physicians, was welcomed by the Senate and received an expression of gratitude for his service today.

(President in Chair)

MESSAGE FROM THE GOVERNOR

The following Message from the Governor was read and was referred to the Committee on Nominations:

Austin, Texas
March 4, 1991

TO THE SENATE OF THE SEVENTY-SECOND LEGISLATURE,
REGULAR SESSION:

I ask the advice, consent and confirmation of the Senate with respect to the following appointments:

TO BE COMMISSIONER OF EDUCATION, for a term to expire March 1, 1995:

LIONEL R. MENO
1150 Phoenix Avenue
Schenectady, New York 12308

Dr. Meno will be replacing Dr. W. N. Kirby of Austin, who resigned.

TO BE A MEMBER OF THE TEXAS BOARD OF HEALTH, for a term to expire February 1, 1997:

DAVID L. COLLINS
7719 Chasewood Drive
Missouri City, Texas 77489

Mr. Collins will be replacing Joe N. Pyle of San Antonio, whose term expired.

TO BE MEMBERS OF THE BOARD OF PARDONS AND PAROLES, for terms to expire February 1, 1997:

MAE JOHNSON JACKSON
Route 8, Box 179
Waco, Texas 76705

Dr. Jackson will be replacing Ken Casner of Palestine, whose term expired.

ALBERT G. SANCHEZ
901 J. F. Kennedy Drive
Crystal City, Texas 78839

Mr. Sanchez will be replacing Douglas G. Jeu of Houston, whose term expired.

WINONA WILSON MILES
7204 Marywood Circle
Austin, Texas 78723

Ms. Miles is being reappointed.

Respectfully submitted,

/s/Ann W. Richards
Governor of Texas

MESSAGE FROM THE GOVERNOR

The following Message from the Governor was read and was filed with the Secretary of the Senate:

PROCLAMATION BY THE GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Austin, Texas
February 27, 1991

TO THE MEMBERS OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES OF THE SEVENTY-SECOND LEGISLATURE,
REGULAR SESSION:

Pursuant to Article III, Section 5, of the Texas Constitution, I, Ann Richards, Governor of the State of Texas, submit the following emergency matter for the immediate consideration by the 72nd Legislature, now convened:

Legislation relating to the expansion of the board of
directors of the Texas High-Speed Rail Authority
from 9 to 11 members.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my Office in the City of Austin, Texas, this the 27th day of February, A.D. 1991.

/s/Ann W. Richards
Governor of Texas

ATTEST:

/s/John Hannah, Jr.
Secretary of State

MOTION TO CONFIRM NOMINEE

The President laid before the Senate the nomination of JACK M. RAINS, to be a Member of the Board of Directors, Texas Department of Commerce. Mr. Rains' confirmation was postponed on Thursday, February 28, 1991.

Senator Brown moved confirmation of the appointment of JACK M. RAINS, to be a Member of the Board of Directors, Texas Department of Commerce.

The motion was lost by the following vote: Yeas 14, Nays 16.

Yeas: Bivins, Brown, Ellis, Glasgow, Harris of Tarrant, Harris of Dallas, Henderson, Krier, Leedom, Montford, Parker, Ratliff, Sims, Turner.

Nays: Armbrister, Barrientos, Brooks, Carriker, Dickson, Green, Haley, Johnson, Lucio, Lyon, Moncrief, Rosson, Tejeda, Truan, Whitmire, Zaffirini.

(Senator Glasgow in Chair)

GUESTS PRESENTED

Upon recognition, Senator Tejeda introduced a group of students from St. Cecilia Catholic School of San Antonio and their teacher, Pascual Palmerin.

The Senate welcomed these guests.

COMMITTEE SUBSTITUTE SENATE BILL 310 ON SECOND READING

Senator Leedom moved that the regular order of business, Senate Rule 7.15 and Section 5 of Article III of the State Constitution be suspended and that C.S.S.B. 310 be taken up for consideration at this time:

C.S.S.B. 310, Relating to eligible investment securities to be pledged with the treasurer by a state depository.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE SENATE BILL 310 ON THIRD READING

Senator Leedom moved that the Constitutional Rule and Senate Rule 7.20 requiring bills to be read on three several days be suspended and that C.S.S.B. 310 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0.

SENATE BILL 243 ON SECOND READING

Senator Harris of Tarrant moved that the regular order of business, Senate Rule 7.15 and Section 5 of Article III of the State Constitution be suspended and that S.B. 243 be taken up for consideration at this time:

S.B. 243, Relating to the establishment of an appellate judicial system for the Second Court of Appeals District.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read second time.

Senator Glasgow offered the following amendment to the bill:

Amend S.B. 243 as follows:

(1) On page 1, line 24, strike “shall” and substitute “may”.

(2) On page 1, line 32, strike “shall” and substitute “may”.

GLASGOW
CARRIKER

The amendment was read and was adopted by a viva voce vote.

On motion of Senator Harris of Tarrant and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment by a viva voce vote.

SENATE BILL 243 ON THIRD READING

Senator Harris of Tarrant moved that the Constitutional Rule and Senate Rule 7.20 requiring bills to be read on three several days be suspended and that S.B. 243 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0.

SENATE BILL 52 ON SECOND READING

Senator Green moved that the regular order of business, Senate Rule 7.15 and Section 5 of Article III of the State Constitution be suspended and that S.B. 52 be taken up for consideration at this time:

S.B. 52, Relating to jury service; providing a penalty.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Krier.

The bill was read second time.

Senator Green offered the following amendment to the bill:

Floor Amendment No. 1

Amend S.B. 52 by striking all below the enacting clause and substituting in lieu thereof the following:

SECTION 1. Section 62.001, Government Code, is amended to read as follows:

Sec. 62.001. JURY SOURCE; ~~[ANNUAL]~~ RECONSTITUTION OF JURY WHEEL. (a) ~~The [Each year between October 1 and October 15, the county tax assessor-collector, sheriff, county clerk, and district clerk in each county shall meet at the county courthouse and shall reconstitute the jury wheel for the county. Each official may be represented by a deputy.~~

~~[(b) Except as provided by Subsection (c), the]~~ jury wheel must be reconstituted by using, as the source: ~~[:]~~

~~(1) the names of all persons on the current voter registration lists from all the precincts in the county; and[:]~~

~~(2) [(c) In a county in which the municipality with the largest population is located in more than one county, the jury wheel may, on approval of the commissioners court and a majority of the district judges having jurisdiction in the county, be reconstituted by using, as an additional source,] all names on a current list to be furnished by the Department of Public Safety, showing the citizens of the county who hold a valid Texas driver's license and the citizens of the county, other than persons who are disqualified from jury service, who hold a valid personal~~

identification card or certificate issued by the department [other than a Class-P]. [The county may contract with another governmental unit or a private person to combine the voter registration list with the list furnished by the Department of Public Safety.]

(b) [(d)] Notwithstanding Subsection (a) [Subsections (b) and (c)], the names of persons listed on a register of persons exempt from jury service may not be placed in the jury wheel, as provided by Sections 62.108 and 62.109.

(c) Each year not later than the third Tuesday in November, or the date provided by Section 16.032, Election Code, for the cancellation of voter registrations, whichever is earlier, the voter registrar of each county shall furnish to the secretary of state a current voter registration list from all the precincts in the county that, except as provided by Subsection (d), includes:

(1) the complete name, mailing address, date of birth, voter registration number, and precinct number for each voter;

(2) if available, the Texas driver's license number or personal identification card or certificate number and social security number for each voter; and

(3) any other information included on the voter registration list of the county.

(d) The list required by Subsection (c) must exclude the names of convicted felons and the names of persons exempt from jury service under Sections 62.108 and 62.109.

(e) The voter registrar shall send a list of the names of persons excluded to the secretary of state with the list required by Subsection (c).

(f) The Department of Public Safety shall furnish a list to the secretary of state that shows the names required under Subsection (a)(2) and that contains any of the information enumerated in Subsection (c) that is available to the department, including citizenship status. The department shall furnish the list on or before the first Monday in October of each year.

(g) The secretary of state shall accept the lists furnished as provided by Subsections (c)-(f). The secretary of state shall combine the lists, eliminate duplicate names, and send the combined list to each county on or before December 31 of each year or as may be required under a plan developed in accordance with Section 62.011. The district clerk of a county that has adopted a plan under Section 62.011 shall give the secretary of state notice not later than the 90th day before the date the list is required. The list furnished the county must be in a format, electronic or printed copy, as requested by the county and must be certified by the secretary of state stating that the list contains the names required by Subsections (c)-(f), eliminating duplications. The secretary of state shall furnish the list free of charge.

(h) If the secretary of state is unable to furnish the list as provided in this section because of the failure of the voter registrar to furnish the county voter registration list to the secretary of state, the county tax assessor-collector, sheriff, county clerk, and district clerk in the county shall meet at the county courthouse between January 1 and January 15 of the following year and shall reconstitute the jury wheel for the county, except as provided under a plan adopted under Section 62.011. The deadlines included in the plan control for preparing the list and reconstituting the wheel. The secretary of state shall send the list furnished by the Department of Public Safety as provided by Subsection (f) to the voter registrar, who shall combine the lists as described in this section for use as the juror source and certify the combined list as required of the secretary of state under Subsection (g).

(i) In a county with a population of less than 100,000 in which the municipality with the largest population is located in more than one county, the commissioners court may, instead of using the method provided by Subsections (c)-(h), contract with another governmental unit or a private person to combine the voter

registration list with the list furnished by the Department of Public Safety. Subsections (c)-(h) do not apply to a county in which the commissioners court has contracted with another governmental unit or a private person under this subsection. The Department of Public Safety may not charge a fee for furnishing a list under this subsection. Each list must contain the name and address of each person listed. If practical, each list must contain the age and citizenship of each person and any other information useful in determining if the person is qualified to serve as a juror.

~~[(c) The Department of Public Safety may not charge a fee for furnishing a list under this section:~~

~~[(f) Each list must contain the name and address of each person listed. If practical, each list must contain the age and citizenship of each person and any other information useful in determining if the person is qualified to serve as a juror.]~~

SECTION 2. Section 62.011(d), Government Code, is amended to read as follows:

(d) A state agency or the secretary of state ~~[The Department of Public Safety]~~ may not charge a fee for furnishing a list of names required by Section 62.001.

SECTION 3. Subchapter A, Chapter 62, Government Code, is amended by adding Section 62.0141 to read as follows:

Sec. 62.0141. FAILURE TO ANSWER JURY SUMMONS. In addition to any criminal penalty prescribed by law, a person summoned for jury service who does not comply with the summons as required by law is subject to a contempt action punishable by a fine of not less than \$100 nor more than \$1,000.

SECTION 4. Section 122.002, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 122.002. DAMAGES; REINSTATEMENT; ~~[AND]~~ ATTORNEY'S FEES. (a) A person who is injured because of a violation of this chapter is entitled to reinstatement to his former position and to damages, but the damages may not exceed an amount equal to six months' compensation at the rate at which the person was compensated when summoned for jury service.

(b) ~~The [In addition to damages, the]~~ injured person is also entitled to reasonable attorney's fees in an amount approved by the court.

SECTION 5. Section 122.003, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 122.003. DEFENSE. (a) It is a defense to an action brought under this chapter that the employer's circumstances changed while the employee served as a juror so that reemployment was impossible or unreasonable.

(b) To establish a defense under this section, an employer must prove that the termination of employment was because of circumstances other than the employee's service as a juror.

SECTION 6. Section 13.122(a), Election Code, is amended to read as follows:

(a) In addition to the other statements and spaces for entering information that appear on an officially prescribed registration application form, each official form must include:

(1) the statement: "I understand that the giving of false information to procure the registration of a voter is a misdemeanor [felony].";

(2) a space for the applicant's registration number;

(3) a space for the number of the county election precinct in which the applicant resides;

(4) a space for the applicant's telephone number;

(5) a space for the applicant's social security number; ~~[and]~~

(6) a space for the applicant's Texas driver's license number or personal identification card or certificate number; and

(7) a statement indicating that the furnishing of the applicant's election precinct number, telephone number, [and] social security number, and driver's license or personal identification card or certificate number is optional.

SECTION 7. (a) In addition to the substantive changes made by this Act, this Act conforms Section 13.122(a), Election Code, to Section 3, Chapter 436, Acts of the 70th Legislature, Regular Session, 1987.

(b) To the extent of any conflict, this Act prevails over another Act of the 72nd Legislature, Regular Session, 1991, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 8. (a) This Act takes effect January 1, 1992.

(b) The changes in the law made by this Act relating to jury service apply only to persons summoned to appear for jury service on or after that date.

(c) The Department of Public Safety is not required to include a person's name on a list submitted to the secretary of state under Section 62.001(f), Government Code, as amended by this Act, unless the person is issued or renews a driver's license or personal identification card or certificate on or after the effective date of this Act.

SECTION 9. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

GREEN
BIVINS

The amendment was read and was adopted by a viva voce vote.

**VOTE ON ADOPTION OF FLOOR AMENDMENT
NO. 1 RECONSIDERED**

On motion of Senator Green and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question—Shall Floor Amendment No. 1 be adopted?

Senator Montford offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 to S.B. 52 as follows:

(1) Add a new Section 7 to read as follows:

SECTION 7. (a) From amounts appropriated to the Department of Public Safety for the fiscal year ending August 31, 1992, that are not dedicated by the Texas Constitution, the comptroller of public accounts shall transfer \$337,484 to the secretary of state, and that amount is reappropriated to the secretary of state for that fiscal year for the purpose of implementing the changes in law made by this Act to Chapter 62, Government Code.

(b) From amounts appropriated to the Department of Public Safety for the fiscal year ending August 31, 1993, that are not dedicated by the Texas Constitution, the comptroller of public accounts shall transfer \$137,485 to the secretary of state, and that amount is reappropriated to the secretary of state for that fiscal year for the purpose of implementing the changes in law made by this Act to Chapter 62, Government Code.

(c) The Department of Public Safety shall submit to the comptroller of public accounts lists of appropriations from which the transfers will be made and the amount transferred from each item. The list for the transfer required by Subsection (a) of this section must be submitted not later than January 1, 1992, and the list for

the transfer required by Subsection (b) of this section must be submitted not later than September 1, 1992. If the comptroller does not receive a list required by this subsection, the comptroller may make the transfer from any appropriations to which this section applies.

(2) Renumber existing Section 7 and the subsequent section accordingly.

The amendment to the amendment was read and was adopted by a viva voce vote.

Question recurring on the adoption of Floor Amendment No. 1 as amended, the amendment as amended was adopted by a viva voce vote.

On motion of Senator Green and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment by a viva voce vote.

SENATE BILL 52 ON THIRD READING

Senator Green moved that the Constitutional Rule and Senate Rule 7.20 requiring bills to be read on three several days be suspended and that S.B. 52 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Krier.

The bill was read third time and was passed by a viva voce vote.

RECORD OF VOTE

Senator Krier asked to be recorded as voting "Nay" on the final passage of the bill.

COMMITTEE SUBSTITUTE

SENATE BILL 87 ON SECOND READING

Senator Johnson moved that the regular order of business, Senate Rule 7.15 and Section 5 of Article III of the State Constitution be suspended and that C.S.S.B. 87 be taken up for consideration at this time:

C.S.S.B. 87, Relating to the removal of junked motor vehicles.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE

SENATE BILL 87 ON THIRD READING

Senator Johnson moved that the Constitutional Rule and Senate Rule 7.20 requiring bills to be read on three several days be suspended and that C.S.S.B. 87 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

The bill was read third time and was passed by a viva voce vote.

CONGRATULATORY RESOLUTION

H.C.R. 87 - (Barrientos): Honoring Austin on Tap, Inc., and extending best wishes to the company for continued success in the future.

ADJOURNMENT

On motion of Senator Brooks, the Senate at 12:18 p.m. adjourned until 11:00 a.m. tomorrow.

**In Memory
of**

The Honorable Roger A. Knight

Senator Turner offered the following resolution:

(Senate Resolution 279)

WHEREAS, With the death of The Honorable Roger A. Knight of Madisonville on March 2, 1991, the State of Texas lost one of its most respected civic leaders; and

WHEREAS, Born November 4, 1910, he was the son of Arthur and Lula Knight of Madison County; and

WHEREAS, After attending Sam Houston State University in Huntsville, he embarked on a distinguished career in education as a public school teacher and administrator; and

WHEREAS, Elected to the Texas House of Representatives in 1941, he loyally served the citizens of District 56 for two terms; and as a member of the Texas Senate during the 49th and 50th Legislatures, he faithfully addressed the needs of his constituents in Grimes, Houston, Leon, Madison, Montgomery, Polk, San Jacinto, Trinity, and Walker counties; and

WHEREAS, His legislative experience inspired him to study law under the late W. W. Heath, and he was licensed to practice on April 12, 1946; Mr. Knight enjoyed a very successful practice for almost 45 years; and

WHEREAS, Two Texas governors, W. Lee O'Daniel and Coke R. Stevenson, called on the wisdom and insight of Mr. Knight in shaping and effecting the goals of their administrations; and

WHEREAS, A man of decency, honor, and integrity, Roger Knight was a lifelong Democrat who deeply loved his state and nation and served them well; and

WHEREAS, The role in life he cherished most was that of proud father and grandfather; and

WHEREAS, A member of the First Baptist Church, he lived his Christian beliefs every day of his life, in thought, word, and deed; and

WHEREAS, Throughout his career, this admirable gentleman was encouraged and supported by his wife Louise, who taught in the public schools in Madisonville and at Sam Houston State University for over 40 years until her death on December 22, 1989; and

WHEREAS, A gentleman in the truest sense of the word, he leaves behind cherished memories in the hearts of all who knew him; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 72nd Legislature, hereby extend sincere condolences to the members of his family: his son, Roger "Sonny" Knight, Jr.; and his grandchildren, Laurie, Kevin, and Sonny; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the members of his family as an expression of deepest sympathy from the Texas Senate, and that when the Senate adjourns this day, it do so in memory of The Honorable Roger A. Knight.

The resolution was read and was adopted by a rising vote of the Senate.